

VA's Release 3 EDI Implementation Claim Adjuster Conference

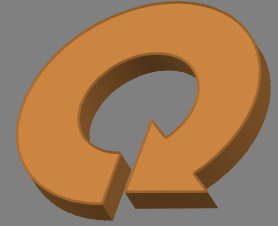


**Virginia Workers' Compensation
Commission**

Technology Alignment Program (TAP)

5/27/2009

Today's Commission Attendees

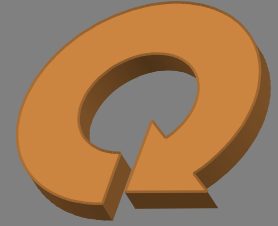


Matthew Bryant – Technology Alignment Program Director

Courtney Mercer – Deputy Commissioner

***Stephanie Brenzovich – EDI Compliance Specialist & Acting
EDI Compliance Supervisor***

Agenda

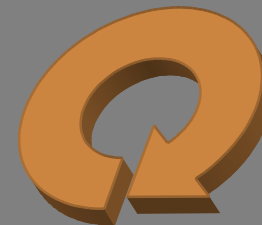


Morning Sessions

- **Introductions and Opening Comments**
- **Review of the EDI Initiative**
- **Overview of TAP Projects**
- **What We've Learned So Far**

Afternoon Sessions

- **Break Out Session on Data Quality**
- **WebFile Demonstration**
- **Planned WebFile Enhancements**
- **Q&A**



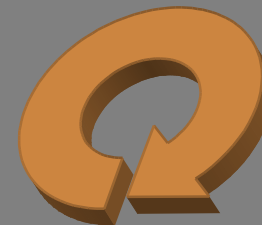
Part I

Introductions & Opening Comments

Points of Emphasis



- At our last conference (September 2008), the EDI Implementation was just beginning
- Today - Formal EDI Phases are Complete and the July 1st Mandate is quickly approaching
- This conference gives us a chance to reflect on our journey and begin looking forward
- What We Have Learned So Far
 - About the EDI Process, Data Quality, and challenges during the transition
- Other Commission Items
 - New Chairman, Non-EDI Rule Changes, Devoted VWC Call Center, Judicial System in October, Pre-Hearing Unit, New Commission Executive Director (Chief Administrative Officer)



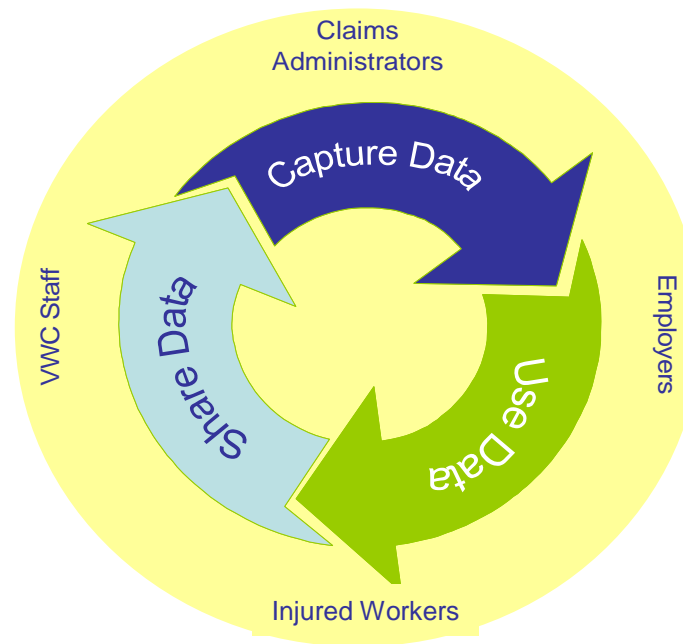
Part II

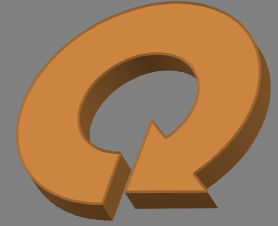
Review of the EDI Initiative

Vision



The Technology Alignment Program (TAP) is aimed at leveraging industry available technology to improve the overall efficiency, reliability and accuracy of information transactions, thereby greatly improving customer service and better meeting the needs of internal and external stakeholders.

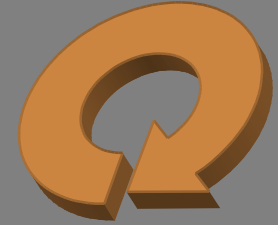




The Virginia Workers' Compensation Commission's Mission

*To ensure Injured Workers receive all
benefits to which they are entitled as
quickly as possible.*

Phased EDI Implementation



All reporters are required to report workers' compensation information (Release 3 FROI and SROI) electronically to the Commission by July 1, 2009.

Wave A – October 1, 2008

The following entities will submit via EDI claims that occur on or after October 1, 2008:

- Beta Testers
- Carriers filing greater than 1,000 non-minor claims annually

Wave B – December 1, 2008

The following entities will submit via EDI claims that occur on or after December 1, 2008, and will also have to retroactively submit via EDI all claims made between October 1 and November 30, 2008:

- Carriers filing between 100 and 999 non-minor claims annually

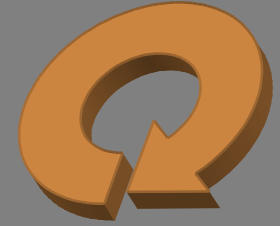
Wave C – March 1, 2009

The following entities will be required to submit electronically claims that occur on or after March 1, 2009:

- Self-Insurers that are self-administered (submit via EDI if annual volume greater than 100 non-minor claims)
- **WebFile** Reporters (Carriers that submit fewer than 100 non-minor claims annually)

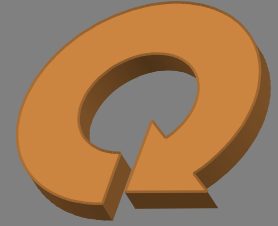
The Phased EDI Implementation Plan is complete

TAP Milestones



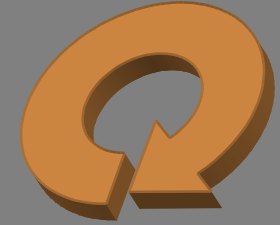
- EDI Start for High Volume Filers – October 1, 2008 ✓
- EDI Start for Medium Volume Filers – December 1, 2008 ✓
- Paperless *Proof of Coverage* filings (via NCCI) – February 1, 2009 ✓
- EDI Start for Sub-100 Filers (via **WebFile**) – March 1, 2009 ✓
- Case Management for all EDI Filers & Claimants (via **WebFile**) – April 2, 2009 ✓
- VA Mandate for All Filers to file via EDI – July 1, 2009
- Litigation Management for Attorneys (via **WebFile**) – November 2009

What's Happening in the Industry



- Debates Over R3 EDI Changes & Upcoming Implementations
- Recognized Need for EDI Process Training for CAs

Conference Survey – CA Profile

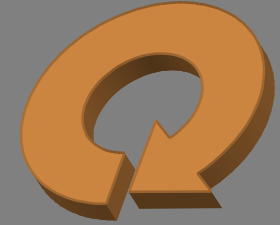


The survey was sent to all Claim Administrators:

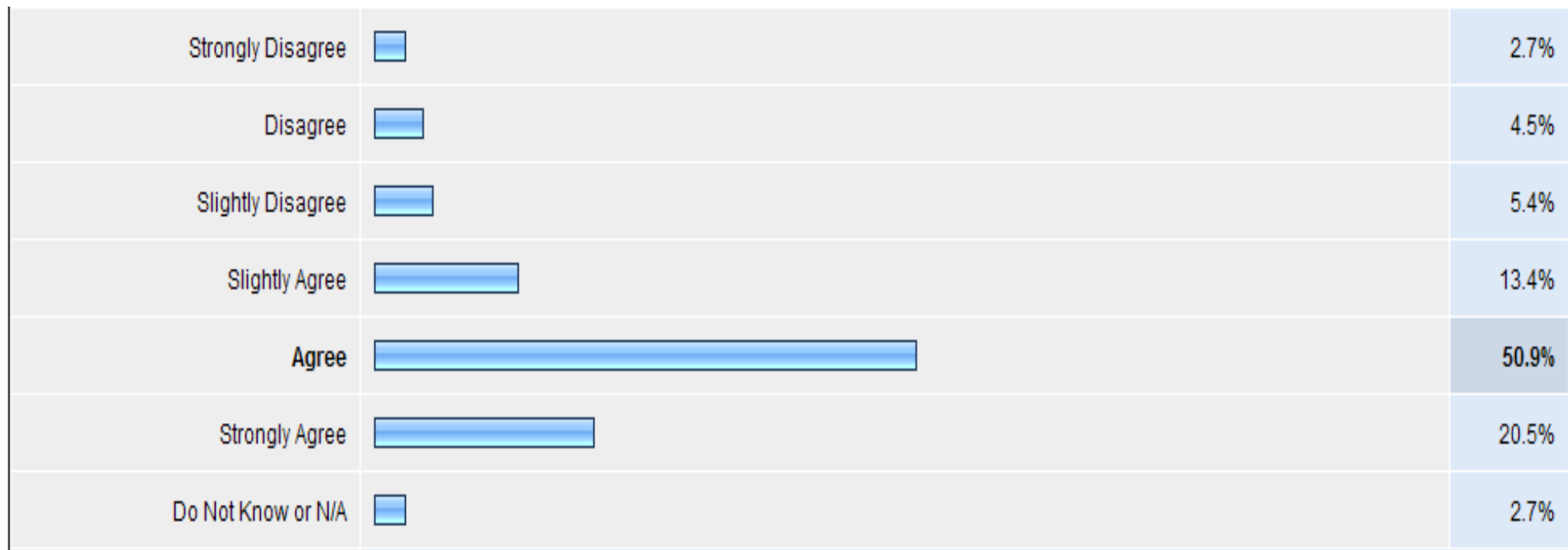
1. What role do you play in the EDI Initiative?		
		Response Percent
Claim Manager	<div></div>	22.0%
Claim Adjuster	<div></div>	44.7%
Technical Team	<div></div>	10.6%
Other (Please specify below)	<div></div>	22.8%

- 125 responses received through 5/19/008.
- 91% (114) indicated they are already reporting via EDI
- 59% (74) indicated they were planning to attend today's conference.

Views on VA – Communications

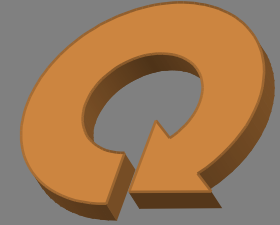


The level of communication has been sufficient about EDI




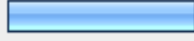
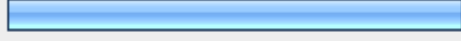

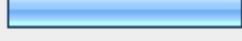


- *85% (83) agreed*
- *13% (14) disagreed*

Views on VA – EDI Support



E-mail support channels have been valuable

Strongly Disagree		3.6%
Disagree		8.1%
Slightly Disagree		5.4%
Slightly Agree		14.4%
Agree		35.1%
Strongly Agree		15.3%
Do Not Know or N/A		18.0%

- *65% (72) agreed*
- *17% (19) disagreed*

Views on VA – Responsiveness

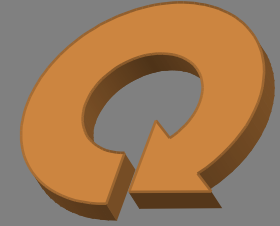


The Commission has been responsive to my organization

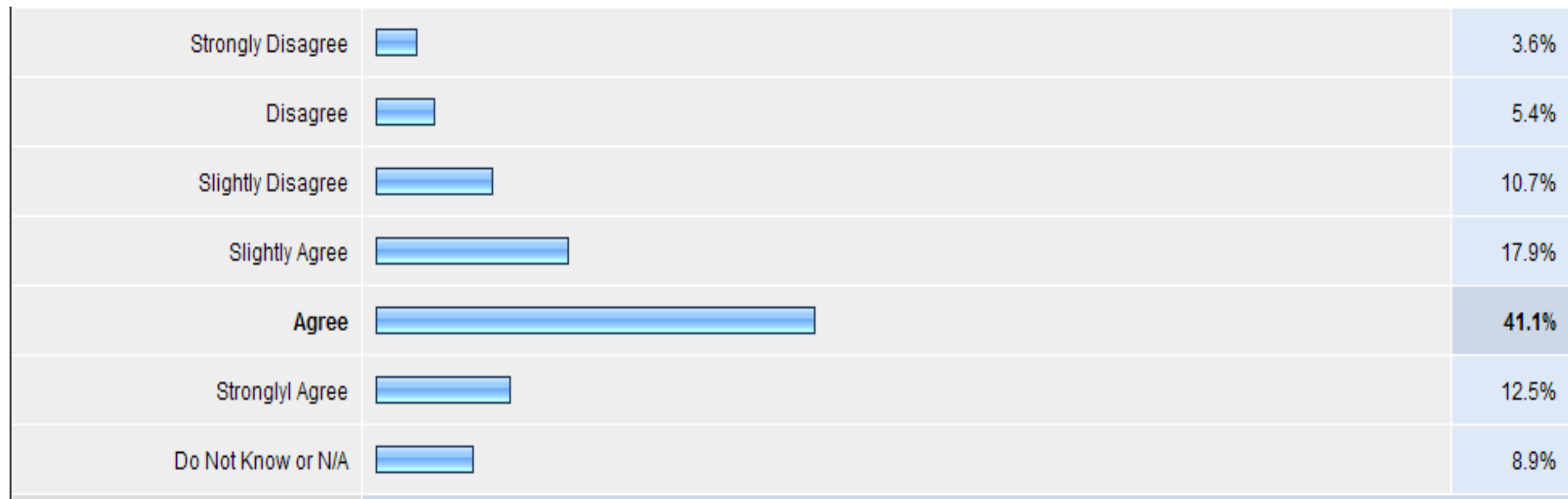
Strongly Disagree		0.0%
Disagree	<div></div>	5.5%
Slightly Disagree	<div></div>	5.5%
Slightly Agree	<div></div>	11.0%
Agree	<div></div>	41.3%
Strongly Agree	<div></div>	18.3%
Do Not Know or N/A	<div></div>	18.3%

- *71% (77) agreed*
- *11% (12) disagreed*

Views on VA – Training

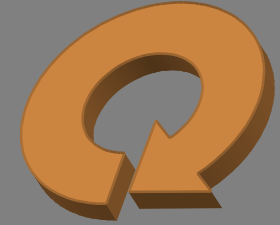


The level of Commission training has been sufficient

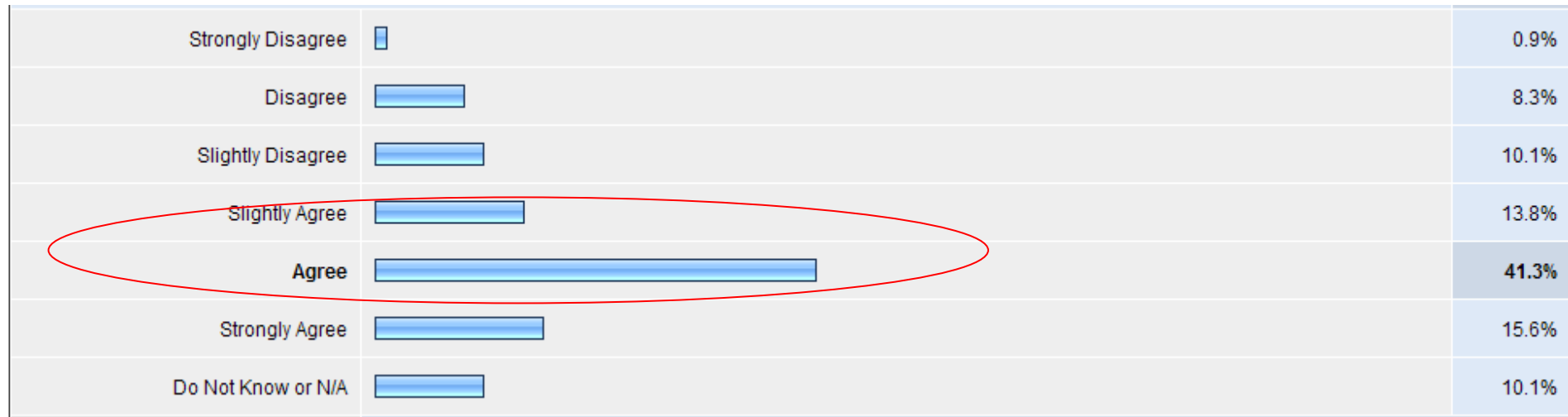


- *72% (80) agreed*
- *20% (22) disagreed*

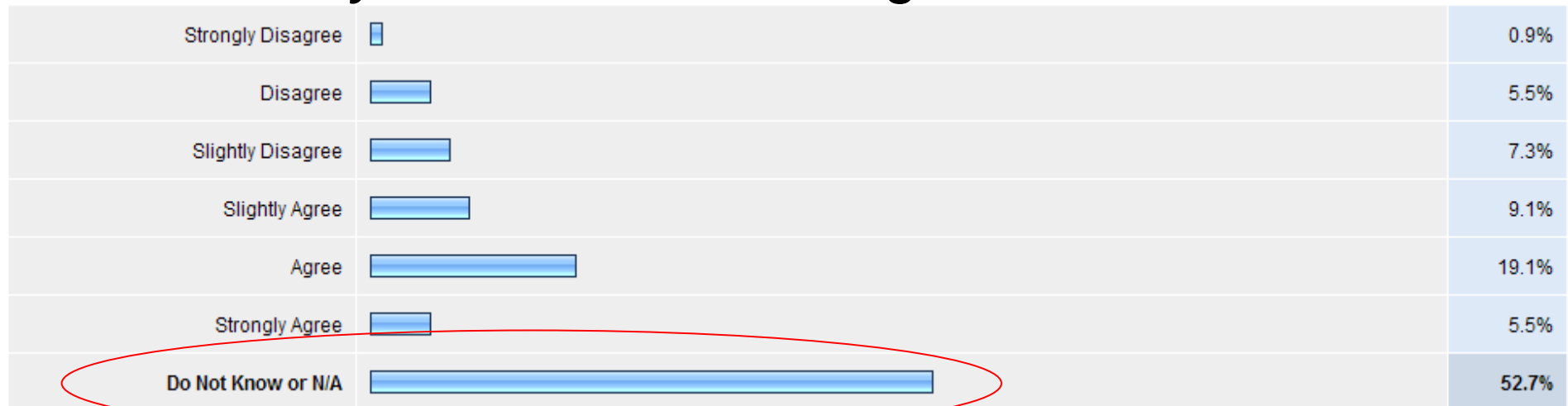
Other CA Views on Training



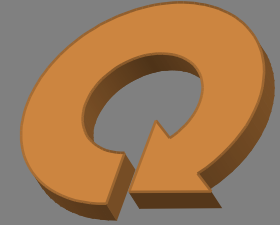
The level of your own training has been sufficient



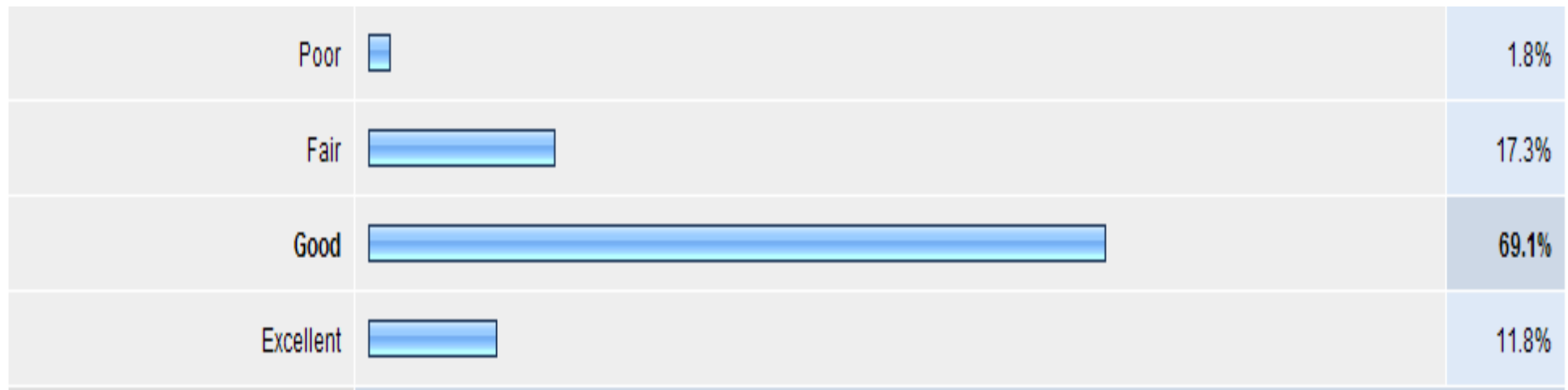
The level of your vendor's training has been sufficient



Conference Survey – Data Quality

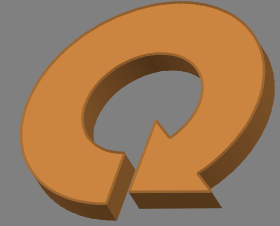


The quality of data you provide the Commission


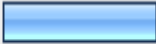




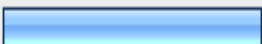


- *81% (89) indicated Good or Excellent*
- *19% (21) indicated Fair or Poor*

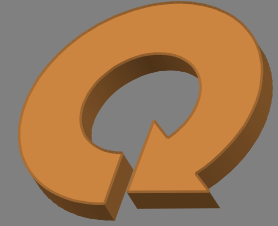
Causes of Poor Data Quality



Reasons why data quality is impacted

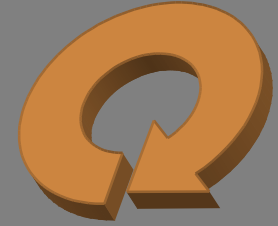
Overall workload		48.1%	50
Data the Commission requests is unreasonable		12.5%	13
Insufficient time to properly investigate claims		29.8%	31
Poor data quality provided by injured worker		29.8%	31
Poor data quality provided by employer		39.4%	41
Ineffective resources gathering data (e.g. call centers or vendors)		14.4%	15
Other (please specify below)		21.2%	22

What Has Not Changed Due to EDI



- The Commission's overall mission
- Statutes of Limitations
- Awards based on signed agreements of the parties
- The need to file formal applications to Suspend Awards
- Various forms and processes, such as
 - Filing Agreement Forms

What Has Not Changed – Claims Flow



1. Establish Claim



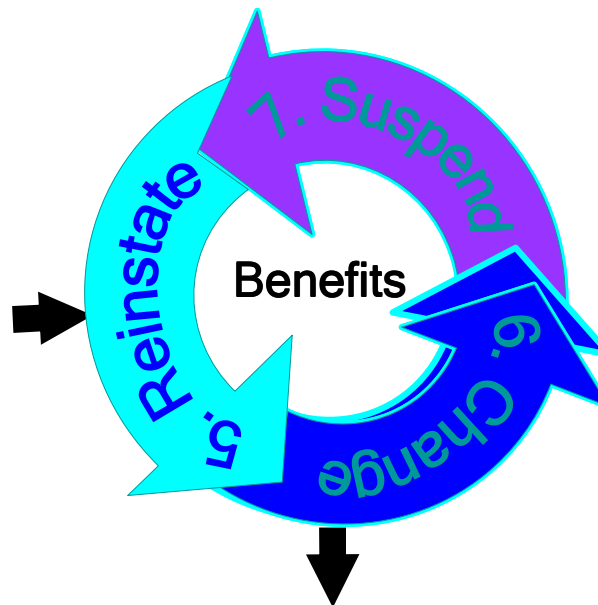
2. Initial Payment or Equivalent



3. Changes to Benefits



4. Suspension of all Benefits



8. Claim Closure

Any Time After First Report
and Before Final
Report

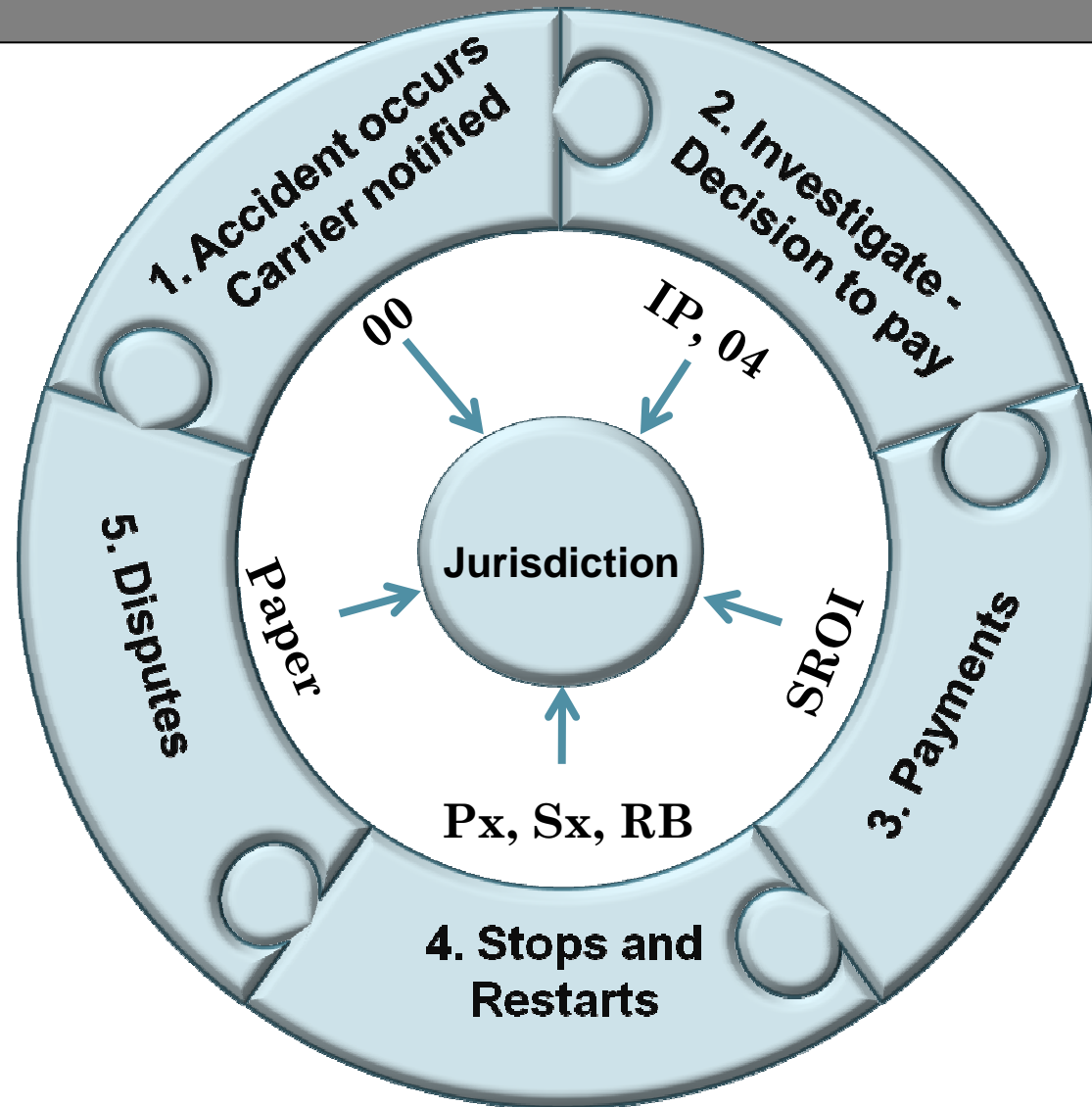
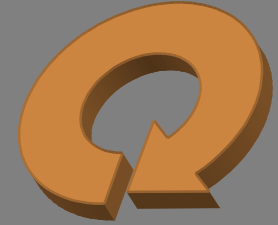
9. Lump Sum Payment(s)

10. Periodic Reports

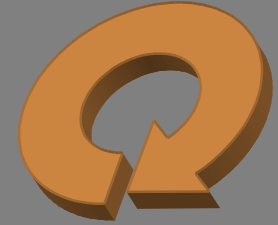
11. Corrections/ Changes (Non-Indemnity)

12. Cancel

Standard Claims Flow



What Has Changed Due to EDI

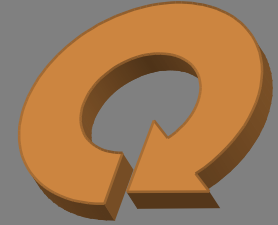


- Consolidation of Agreement Forms From 4 down to 2
 - Award Agreement Form
 - Termination of Wage Loss Form

- Employer's Application for Hearing – no longer needs to be notarized

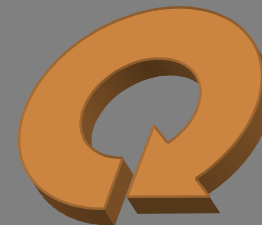
- Paper Forms → EDI Forms
 - Employer's Accident Report (Form 3)
 - Report of Minor Injuries (Form 45A)
 - Report of Medical Costs (Form 45G)

What Has Changed Due to EDI



Some Forms can now be uploaded to WebFile

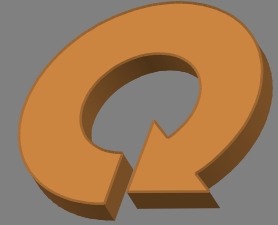
- 20-Day Order Responses
- Award Agreement Form (Form 4)
- Termination of Wage Loss Award (Form 46)
- Employer's Applications



Part III

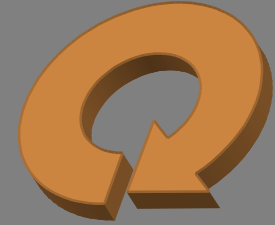
Overview of Technology Alignment Program Projects

WebFile Phase I – FROI/SROI for Small Volume EDI Filers



	Phase I	Phase II
Target Audience	Sub-100 Claim Administrators	All Claim Administrators (including Sub-100 Filers) & Claimants
Key Functions	<ul style="list-style-type: none">• Filing First Reports of Injury• Filing Subsequent Reports of Injury	<ul style="list-style-type: none">• Reviewing the Status on a Claim• Filing Forms and Documents, such as<ul style="list-style-type: none">- Claim for Benefits- Employer's Applications- Agreement Forms
Timeline	March 2, 2009	April 2, 2009

WebFile Phase II – Claims Management for All EDI Filers and Claimants



	Phase I	Phase II
Target Audience	Sub-100 Claim Administrators	All Claim Administrators (including Sub-100 Filers) & Claimants
Key Functions	<ul style="list-style-type: none">• Filing First Reports of Injury• Filing Subsequent Reports of Injury	<ul style="list-style-type: none">• Reviewing the Status on a Claim• Filing Forms and Documents, such as<ul style="list-style-type: none">- Claim for Benefits- Employer's Applications- Agreement Forms
Timeline	March 2, 2009	April 2, 2009

WebFile Phase III – Case Management for Attorneys



	Phase III
Target Audience	Attorneys
Key Functions	<ul style="list-style-type: none">• Web-based Case Access• Electronic Filings• Electronic Notifications• Uploading Case Documents
Timeline	November 2009

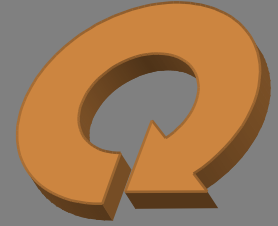
Other TAP Efforts



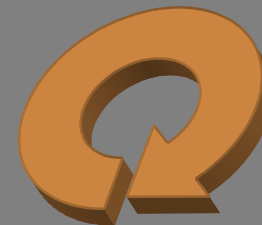
- Shift in “Proof of Coverage” Data
 - From Paper to Electronic (no more 45H)
 - Sourced from NCCI via a daily feed

- Build out of internal system – CASPER – to manage claims filed via EDI
 - Internal Claims Management workflow system
 - Contains front-end imaging component

Other TAP Efforts



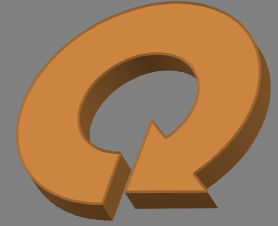
- Internal and External systems to support “Criminal Injuries Compensation Fund” claims
- Professional Employer Organization (PEO) Proof of Coverage system
- Commission Financial System based on industry-standard processes and technology



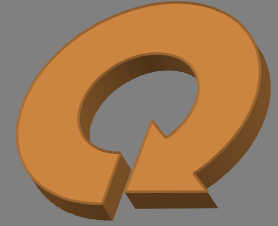
Part IV

What We Have Learned So Far

Benefits of EDI



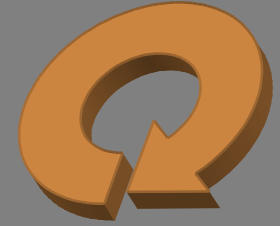
- Immediate Acknowledgments are Key, including return of JCN
- Reduction of Paper Filings
- Use of a consistent, national standard



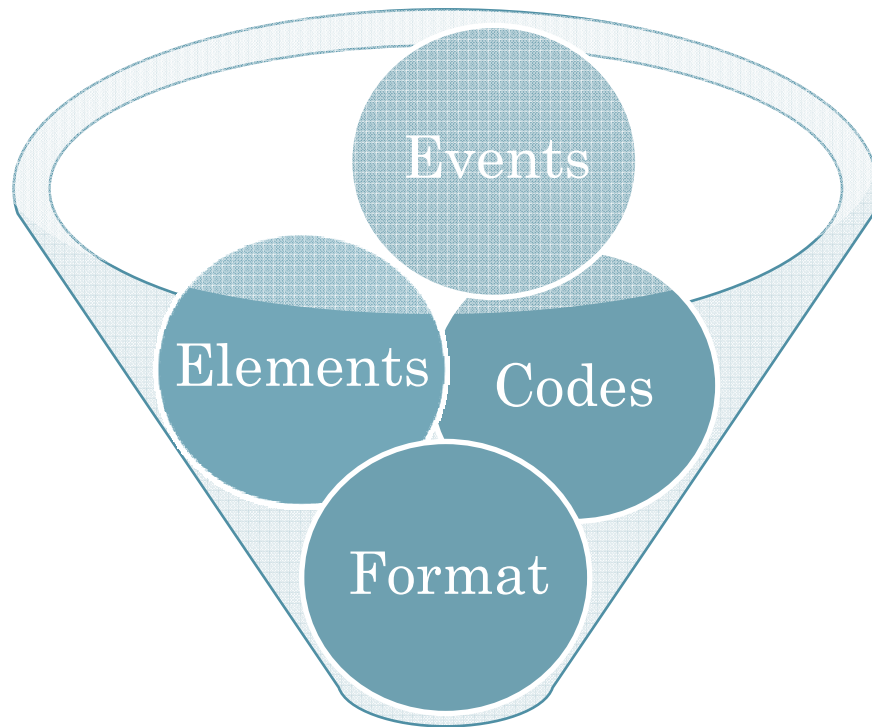
National standards

- allow data comparison
- eliminate needless duplication of effort to build transaction sets
- consistent data collection simplifies multi-jurisdiction reporting

WHY STANDARDS?

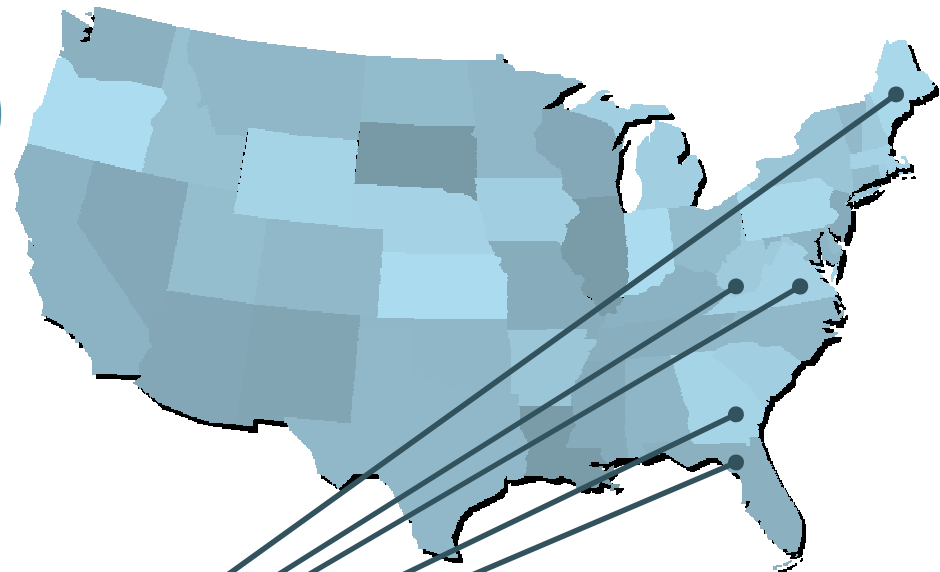


Claim Administrator

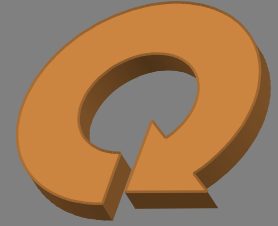


EDI reporting

Release 3 Jurisdiction



Challenges



Challenges during EDI Acknowledgment

Current processes generate Multiple Automated Filings (20-Day orders)

“Fast-Filed” Claims – Claim Shell process

EDI Catch Up Process

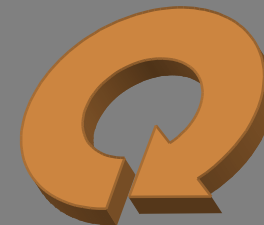
Data Quality

VA Uses EDI Data to...

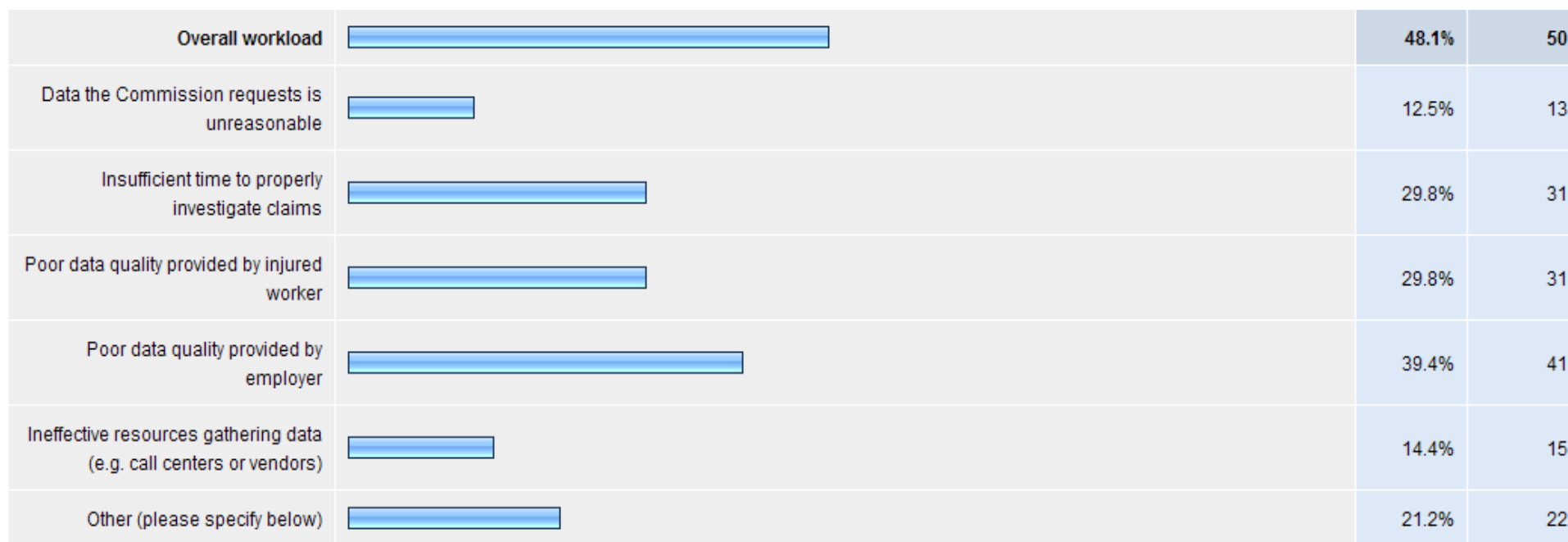
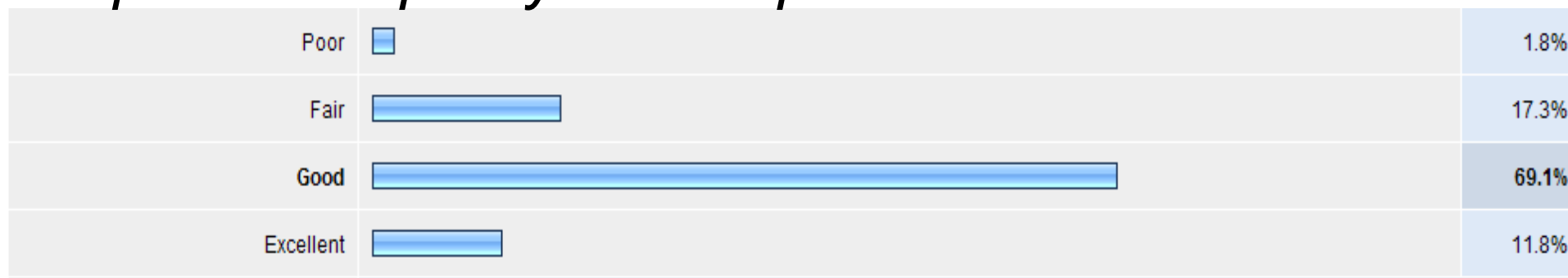


- Send notifications to injured workers
- Generate **WebFile** Access for Claim Administrators
- Create statistical reports
 - Accident prevention
 - Discover fraud
- Analyze Cost Trends
- Conduct Due Process Hearings
- Prevent Uninsured Employer Cases
- Satisfy statutory obligations
 - OSHA reports (e.g., fatal accidents)
 - Department of Health reports (e.g., disease outbreak)

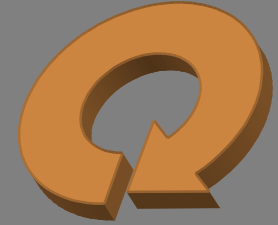
Data Quality – Reminder of What You Told Us



Opinion on quality of data provided to Commission

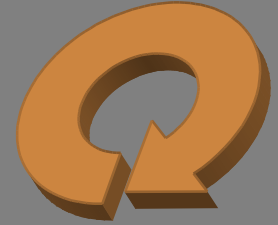


Data Quality – The Trends



- Focus Areas for Data Quality
 - Address Data
 - JCN
 - Payment Data
 - FEIN
- 18 % of Total FROIs with at least 1 Data Quality issue (post ACK)
- Data Quality Selected Statistics
 - 6.9% Claimant Address fail
 - 7.6% Employer Address fail
 - 3,354 successfully received SROI reports against 69,963 FROI reported incidents

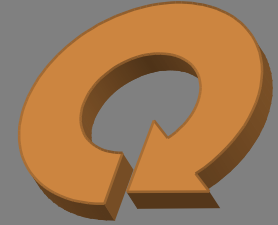
Data Quality – Examples



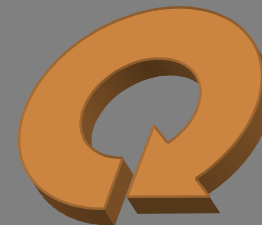
Production examples of Employer Addresses submitted to VWC:

1. LEE HIGHWAY, FAIRFAX, VA
2. LORTON, LORTON, VA
3. STONECROFT BLVD., CHANTILLY, VA
4. DOM SERV-TIME SHARE HSPK,
MCGAHEYSVILLE, VA
5. UNKNOWN, UNKNOWN, VA

Data Quality – Commission Adjustments



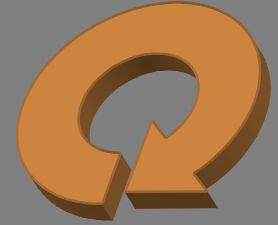
- Payment Data
 - Variance Report
- Employer Address Logic
 - Old Approach
 - Match unique Employer FEIN and Employer NAME information to a single employer address maintained by VWC
 - New Approach (as of 5/28/09)
 1. VWC will use submitted “clean” Employer Addresses unique to the FROI. “Clean” is determined by USPS
 2. If Address is not “clean”, the Employer FEIN and Policy Number will be matched against NCCI policy information to discern Employer address.
 - If no policy number is submitted, Employer FEIN will be used to match against NCCI data, with the LAST UPDATED Employer Address used



Part V

Break Out Session on Data Quality

It's Your Turn!

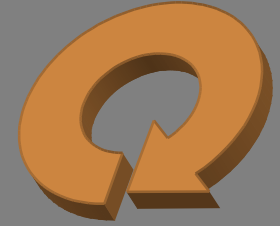


Directions:

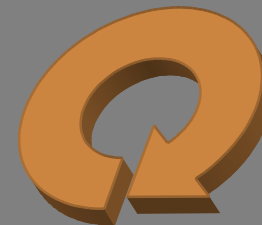
Move to Your Table Groups -

- 1) Review Assigned Scenario**
- 2) Discuss and Document the Pros and Cons with this approach**
- 3) Select Someone to Report to Group**
- 4) Participate in Group Debrief**

3 Scenarios + 1



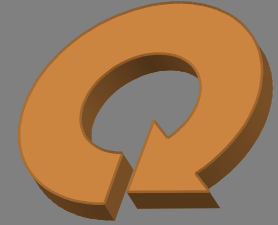
- 1) Small Fines for Nearly Every Data Quality Issue**
- 2) Medium Fines on a Variety of Critical Data Quality Issues**
- 3) Large Fines based on Commission Compliance Audits**
- 4) Whiteboard a Solution**
 - What data issues require fines?
 - How would you categorize these?
 - What should the fee structure/schedule look like?



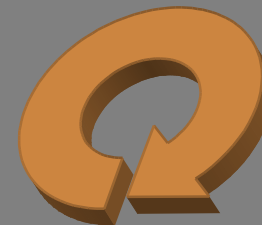
Part VI

WebFile Demo

Summary of Features in WebFile Demonstration

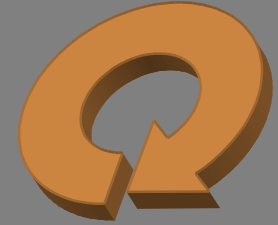


Functions List	Functions List
Log in Claim Administrator Account	Log in With Claim Administrator Manager Account
Search for Claims	Assign Claims to Employees
View Claim Summary	View PDF Image of uploaded doc
View Claim Details	Make New Submission (upload doc)
View Documents & Filings	



Appendix

Glossary of terms



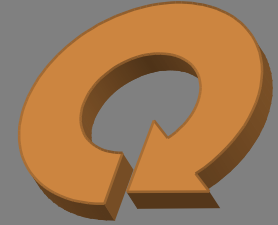
FROI – *First Report of Injury;*” A record sent to the jurisdiction to complete the jurisdiction's First Report of Injury (FROI) requirements. i.e. initial employer accident reports.

SROI – “*Subsequent Report of Injury;*” A record sent to the jurisdiction to complete the jurisdiction's Subsequent Report of Injury requirements. i.e. payment or denial of a claim.

Claim Administrator – The primary organization accountable for adjusting the claim and reporting claim activity via EDI to the Workers’ Compensation regulating agency. i.e. Insurance carrier, third party administrator, state fund or self-insured employer.

Trading Partner – An entity that has entered into an agreement with another entity to exchange data electronically.

Glossary of terms



MTC “*Maintenance Type code*”; A code defining the specific purpose of individual records within the transaction being transmitted. i.e. an “00” is the Original First Report of Injury.

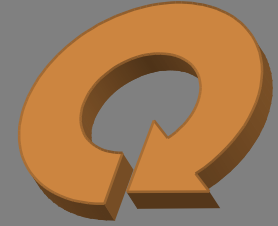
A report (previously known as “form”) required by the jurisdiction to report an event. (injury, first payment, denial, etc.)

Triggers: Trigger criteria are the events that cause a particular report to be due for submission to the jurisdiction. For example, an accident “triggers” the requirement to file an accident report.

EDI – The abbreviation for Electronic Data Interchange; the system and methods by which carriers submit data electronically.

“Release 3” – The latest set of EDI standards issued by the standards-issuing body (IAIABC).

Additional Information



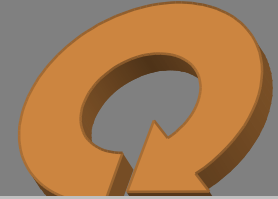
- EDI Initiative Site, which contains
 - Implementation Guide, links to Forms, and Timeline information
 - What's New page
 - Consolidated, categorized FAQ page
 - Information on past/future training opportunities

<http://www.vwc.state.va.us/EDI/EDInitiative.html>

- Preferred way to contact the Commission on EDI questions –
edisupport@vwc.state.va.us

- Preferred way to contact the Commission on **WebFile** questions –
For Site Administrators, use webfilesupport@vwc.state.va.us
For everyone else, contact your Site Administrator

VA's Quick Code Reference Sheet



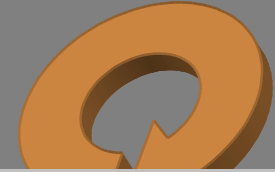
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MAINTENANCE TYPE CODE (MTC's) (DN0002)			
FIRST REPORT:			
00	Original	AQ	Acquired Claim
01	Cancel	UR	Upon Request
02	Change		
04	Denial		
AU	Acquired/Unallocated		
SUBSEQUENT REPORT:			
04	Denial	SJ	Suspended Pending Appeal or Judicial Review
AP	Acquired/Payment		
EP	Employer Paid	UR	Upon Request
ER	Employer Reinstatement	QT	Quarterly
IP	Initial Payment		
P1	Partial Suspension, RTW or Med Determined/Qualified to RTW		
P2	Partial Suspension, Medical Non-Compliance		
P3	Partial Suspension, Administrative Non-Compliance		
P5	Partial Suspension, Incarceration		
PJ	Partially Suspended Pending Appeal or Judicial Review		
PY	Payment Report		
RB	Reinstatement of Benefit		
S1	Suspension, RTW or Medically Determined/Qualified to RTW		
S2	Suspension, Medical Non-Compliance		
S3	Suspension, Administrative Non-Compliance		
S4	Suspension, Claimant Death		
S5	Suspension, Incarceration		
S6	Suspension, Claimant's Whereabouts Unknown		
S7	Suspension, Benefits Exhausted		
S8	Suspension, Jurisdiction Change		
SD	Suspension, Directed By Jurisdiction		

VA's Quick Code Reference Sheet



Benefit Type Codes

BENEFIT TYPE CODE (DN0085)			
REGULAR BENEFIT TYPES:		LUMP SUM PAYMENTS/SETTLEMENTS:	
010	Fatal	524	Employer Paid Lump Sum Pmt/Settlement
020	Permanent Total	530	Perm Partial Sch Lump Sum Pmt/Settlement
030	Permanent Partial/Scheduled	550	Temporary Total Lump Sum Pmt/Settlement
050	Temporary Total	570	Temporary Partial Lump Sum Pmt/Settlement
070	Temporary Partial	590	Perm Partl Disfigure Lump Sum Pmt/Settlement
090	Permanent Partial Disfigurement		
230	Employer Paid Permanent Partial Scheduled		
240	Employer Paid (EP) Unspecified		
250	EP Temporary Total		
270	EP Temporary Partial		
500	Unspecified Lump Sum Pmt/Settlement		
501	Medical Lump Sum Pmt/Settlement		
510	Fatal Lump Sum Pmt/Settlement		
520	Permanent Total Lump Sum Pmt/Settlement		

OTHER BENEFIT TYPE CODE (OBT's) (DN0216)	
340	Total Claimant's Legal Expenses
350	Total Payments to Physicians
360	Total Hospital Costs
370	Total Other Medical
430	Total Unallocated Prior Indemnity Benefits
440	Total Unallocated Prior Medical
450	Total Pharmaceutical Costs
455	Total Dental Expenses
460	Total Physical Therapy Costs
465	Total Chiropractic Expenses

Other Benefit Type Code